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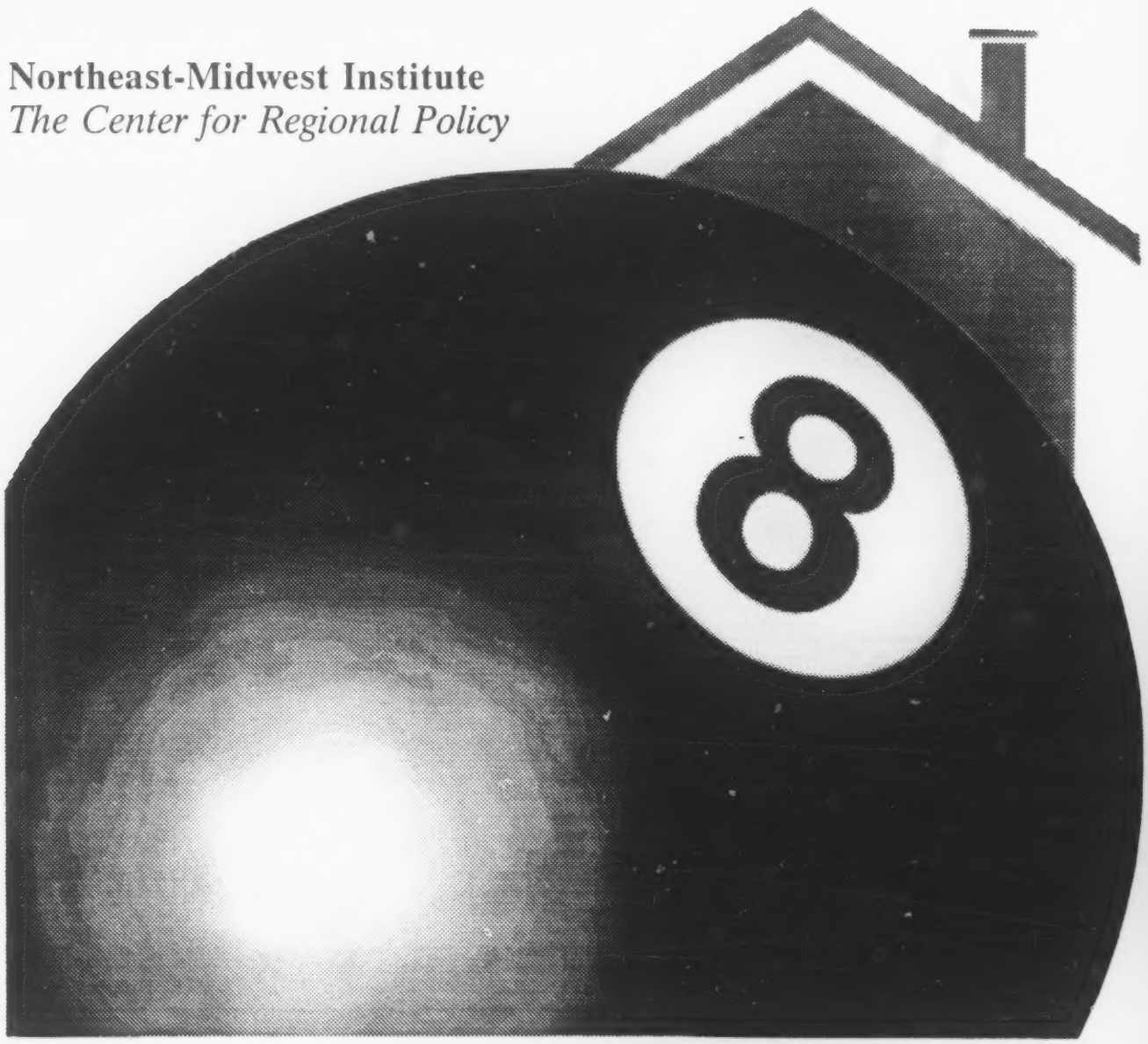
Behind the Section 8 Ball

The Potential Crisis in Federally Assisted Housing

Charles Bartsch

Northeast-Midwest Institute
The Center for Regional Policy



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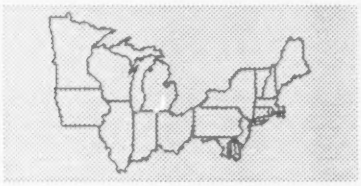

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January 1990

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The Institute appreciates the cooperation of the Office of Housing Information Systems in the Assisted Housing Branch and the Housing Information and Statistics Division of Management Information Systems, U.S. Department of Housing and Urban Development, in the preparation of this report.

A large number of housing units affordable to low-income persons may leave the rental market by the end of the century. Potentially heavy loss of units could occur as contracts that reserve these units for lower-income tenants expire and landlords decide to take them into the private market rather than continue to have them publicly subsidized. In the worst case, these losses could force more than a million persons from their homes. Three factors are contributing to the problem: termination or expiration of federal subsidy contracts offered through the Department of Housing and Urban Development (HUD) Lower Income Housing Assistance program (commonly known as Section 8); owners' options to prepay mortgages under HUD's Below Market Interest Rate (BMIR) and Section 236 programs and the Farmers Home Administration (FmHA) Section 515 program; and physical deterioration of many units from inadequate capital improvements and maintenance.

Assurance of a supply of federally assisted housing for low-income individuals and families is one of the most important housing-policy issues facing Congress and the Bush Administration. The need to preserve housing pervades several major housing programs. Terminations and expirations in the Section 8 program will produce most of the losses; the evolution of this situation warrants public attention.

Loss of Section 8 Units

In the next six years, nearly 800,000 privately owned rental housing units subsidized by HUD's Section 8 program could be withdrawn from the assisted-housing inventory. Many of these units will vanish when contracts limiting their use to low-income persons expire. In other cases, landlords will exercise their rights to prepay mortgages on their properties and terminate the low-income housing setasides in the agreements.

If both of these possibilities materialize in large numbers, more than one-third of the nation's current Section 8 housing inventory could evaporate. Nearly half of the units subject to loss are located in the Northeast and Midwest. Most are home to low-income families with few or no alternatives for affordable housing.

Federal programs financed much of this housing in the 1960s with below-market-rate loans and mortgage insurance on riskier projects; some gave substantial tax benefits. HUD and FmHA, the agencies that oversaw development of these housing projects, also negotiated rental-assistance agreements that guaranteed "fair market" rental income to project owners. In practice, these agreements require the government to pay the difference between what the owner could get in rent on the open market and what the low-income occupants can afford to pay. These subsidies reflect differences in real estate values from place to place and vary considerably from market to market.

Congress included interim measures to reduce losses in the Housing and Community Development Act of 1987. Provisions were included to support the purchase of projects by nonprofit organizations or public agencies and a moratorium on prepayments to restrict an owner's ability to pay off advantageous subsidized mortgages before they run full term. Now, Congress is challenged to devise a permanent solution to this potential assisted-housing crisis. Such a solution will require a set of financial incentives to private unit owners that balances the need to encourage them to maintain their units for low-income families and individuals and the growing need for housing assistance with the reality of the federal fiscal situation. Moreover, this difficult task is complicated by market factors beyond federal control. Projects located in desirable areas with strong markets that would support higher rents or conversion to other uses have a strong possibility of withdrawal from

the low-income housing inventory; owners probably will have to be offered a deep subsidy to maintain them. Conversely, projects located in weak markets will require little if anything beyond the guaranteed Section 8 rent subsidy.

The most difficult aspect of this issue for members of Congress is that no one knows its precise magnitude, which reduces its urgency during the course of debate. The individual unit owners themselves will decide to withdraw or "opt out" of the Section 8 program--which, in some cases, they can do with 30- to 60-days notice to local housing officials. Such opt-outs will take place at a time when many local housing authorities are grappling with the needs of thousands of eligible low-income families waiting years for a subsidized apartment. Some simply have closed their waiting lists altogether because the prospect of help under existing program conditions is so remote.

Federal Role in Housing

In the last decade, the emphasis of federal housing policy has changed considerably, reflecting increased budget pressures that require officials to do more with less. The Section 8 program mirrors this shift. Today several different types of housing assistance programs, some much different that the original initiative, fall under the Section 8 umbrella. During the 1980s, the federal role in meeting the housing needs of low-income persons changed from encouraging the supply of low-cost housing through development incentives to income assistance to help them secure adequate, available housing. This shift in emphasis, plus the overall reduction in federal housing assistance, has created several important issues for the Section 8 program:

- potential large loss of units, through expiration of contracts with private landlords and mortgage prepayments, both of which remove the obligation to maintain them for low income persons;
- lack of budget authority to serve those in need, which results in waiting lists of years or more in many metropolitan areas;
- lack of larger family units (three or four bedrooms); and
- a difficult bureaucratic process that intimidates current and potential program participants.

The potential loss of units, however, is the most pressing issue at the moment. This discussion could be the two-minute warning to a potential crisis. The problems outlined may not develop in as grim a fashion as the numbers suggest, but they could. Because these numbers represent, in human terms, hundreds of thousands of people with their homes at stake, policymakers and legislators must be ready to act responsibly if the worst-case situation does in fact occur.

The federal government has been involved in housing on a large scale for more than 50 years. New Deal legislation created programs to address housing problems brought on in large part by the Depression. As social and economic conditions changed, so did the priorities and structure of federal programs and policies. After World War II, the federal government helped spark a housing boom by stimulating mortgage lending and home-building activities through mortgage-insurance programs. Today, housing programs largely seek to help low-income persons afford decent housing by providing income subsidies to meet their costs.

Federal housing programs fall into two broad categories: *project-based* and *tenant-based* housing assistance. *Project-based* programs encourage the supply of housing in three important ways. They supply affordable financing to developers to build or rehabilitate housing, mortgage insurance and credit programs, and subsidies to project owners that rent to low- and very low-income tenants. In contrast, *tenant-based* programs provide income subsidies earmarked for housing to low-income households.

Since 1988, the level of federal support in terms of families helped has fallen sharply. From 1977 to 1980, HUD increased its rental-assistance commitments by an average of 300,000 units per year. Since 1980, however, the number of additional units subsidized each year--called "incremental units" in the HUD budget--has fallen steadily, slipping to a low of 82,000 per year in fiscal 1988. This reduction coincides with an increase in the number of low-income renter households. In fact, the number of households that could qualify for Section 8 assistance has far outpaced federal housing program resources.

Design of the Section 8 Program

Congress launched the Lower Income Housing Assistance Program, or Section 8, in 1974. Section 8 was one of the last programs passed to increase the supply of assisted housing. Its focus has shifted during the last 15 years. In the early years, the program used mainly project-based development subsidies through three programs--new construction, moderate rehabilitation, and substantial rehabilitation. In the 1980s, the emphasis shifted from projects to people. The program now provides mostly tenant-based income assistance through certificates and vouchers linked to the rental of existing housing. Since 1983, Section 8 has supported little additional project-based unit activity--only moderate rehabilitation and a few newly constructed and substantially rehabilitated units for the elderly and handicapped.

Table 1 traces Section 8 program activity over the past decade. The evolution of the program from project-based to tenant-based assistance is striking. In fiscal 1980, 70 percent of the units added to the Section 8 inventory--nearly 119,000 of them--were project-based. In fiscal 1989, only 10,296 units for the elderly and handicapped were project-based. All other help is linked to privately owned units that exist already.

Today, Section 8 provides most of the available federal housing assistance resources. Several programs are authorized under the Section 8 umbrella:

- housing vouchers;
- tenant-based certificates for existing housing;
- project-based subsidies for moderate rehabilitation of existing units; and
- project-based subsidies for new construction or substantial rehabilitation projects (which are now limited to units built under the Section 202 program for elderly or handicapped persons).

Vouchers and certificates now dominate the Section 8 program. In both cases, recipients are given a paper which certifies their eligibility to participate in the program. They are encouraged to negotiate directly with landlords for rental housing that best meets their needs. Local authorities

make payments to landlords on behalf of qualifying tenants. These commitments to pay extend for 15 years for certificates, and five years for vouchers.

Some housing experts argue that vouchers permit greater flexibility in terms of unit choice because they do not prescribe maximum allowable rents. Vouchers thus expand the choice of units renters can consider. Other experts note that lack of a HUD-determined rent ceiling for specific types of units means that voucher recipients end up paying more than the 30 percent benchmark of their income for rent; according to some local housing officials, in reality many pay more than 50 percent.

In the case of construction or rehabilitation projects, the subsidy stays with the building. It is not related to specific tenants. Any person or family qualifying for Section 8 assistance may occupy the unit.

Table 2 describes the distribution of Section 8 units throughout the nation, by program type and geographic region. A complete 50-state table can be found at the end of the issue brief.

Table 1
Section 8 Gross Reservations: Fiscal 1979 - Fiscal 1989
(in units)

	1989	1988	1987	1986	1985	1984	1983	1982	1981	1980	1979
Vouchers											
Incremental	47,036	44,680	46,235	20,746	7,805	4,701	--	--	--	--	--
Opt-outs/prepayments	1,550	759	813	796	180	--	--	--	--	--	--
Public Housing Demolitions	--	--	1,314	459	42	--	858	--	--	--	--
Rental Rehabilitations	--	--	--	14,256	30,337	9,403		--	--	--	--
Existing Certificates	18,339	9,716	9,497	29,853	36,513	53,835	36,147	23,418	53,947	50,235	90,375
New Construction	--	--	--	--	--	--		8,714	58,108	75,033	111,692
Substantial Rehabilitation	--	--	--	--	--	--	--	2,221	15,753	17,730	33,346
Moderate Rehabilitation											
Regular	2,946	4,690	7,230	9,413	4,902	7,074	14,917	6,799	24,981	26,167	34,294
Homeless (SRO)	1,270	1,025	--	--		--	--	--	--	--	--
Section 202	10,296	11,264	12,550	11,515	12,639	14,277	14,308	16,038	--		
Loan Management	7,533	7,855	9,931	10,237	4,850	5,106	6,604	5,015	12,512	--	--
Property Dispositions	4,353	1,770	1,716	2,792	5,025	4,622	8,213	11,299	--	--	--
Section 23 Conversions	637	199	522	175	854	6,379	1,060	2,588	10,830	--	--
Rent Supplement Conversions	--	--	--	--	14,703	38,667	61,619	57,314	8,000	--	--
New/Rehab Litigation	--	--	--	--	--	--	858	--	--	--	--
Total Section 8	93,910	81,958	89,808	100,242	117,850	144,064	143,726	133,406	184,131	169,165	269,707
Budget Authority (millions)[1]	5,659.8	5,756.2	5,548.6	7,068.3	7,173.5	9,251.8	9,332.2	12,630.3	19,357.4	18,067.1	22,910.1
Contract Authority (millions)[2]	NA[2]	NA[2]	NA[2]	674.0	637.1	660.8	593.7	702.5	992.0	933.6	1,168.1

[1]Includes amendments and reprogramming.
[2]Comparable figure not available.

SOURCES: U.S. Department of Housing and Urban Development, *Budget Summary* FY 1981 (Washington, D.C., January 1980), pp. H-1 - H-9; FY 1982 (March 1981, revised), pp. H-1 - H10; FY 1983 (February 1982), pp. H-1 - H10; FY 1984 (January 1983), pp. H1 - H15; FY 1985 (February 1984), pp. H-1 - H-12; FY 1986 (February 1985), pp. H-1 - H-13; FY 1987 (February 1986), pp. H-1 - H-14; FY 1988 (January 1987), pp. H-1 - H10; FY 1989 (February 1988), pp. H-1 - H-12; and FY 1990 (January 1989), pp. H-1 - H-7.

Table 2
Section 8 Assisted Units by Program Type and Region
(total units as of May 31, 1989)

Region	New Construction	Substantial Rehabilitation	Moderate Rehabilitation	Existing Units	Housing Vouchers
Northeast	159,549	65,329	24,371	284,603	37,939
Midwest	167,950	20,977	13,424	197,077	28,875
South	177,764	19,211	29,457	348,441	45,639
West	118,624	13,019	16,984	308,541	48,037
Total	623,887	118,536	84,236	1,138,662	160,490

SOURCE: Staff calculations from U.S. Department of Housing and Urban Development, Assisted Housing Branch, Housing Information Systems, unpublished data, June 1989.

Scope and Operation

According to HUD data, these five Section 8 programs were helping more than 2.1 million households as of May 1989. The Northeast-Midwest region contains 55 percent of the Section 8 units subsidized on a project basis, and is home to 42 percent of the tenants receiving certificates and vouchers. Overall, 47 percent of all Section 8 units are located in northeastern and midwestern states.[1]

The Section 8 program provides subsidies that cover the full costs of housing assistance for low-income families, including debt service and operating costs attributable to project construction or operation. Subsidies are provided by HUD, either directly or through a local housing authority. In the case of the project-based new construction and rehabilitation programs, the work is done with a prior commitment from HUD to make rent assistance payments on those units when the work is completed. Subsidy contracts could extend 15 to 40 years, depending on the program and financing method used. Many of these contracts contain provisions that permit the owner to prepay unit mortgages and release the obligation to reserve them for low-income occupancy.

In tenant-based programs, subsidy payments are made for difference between the contract rent--set by HUD as fair market rent (FMR) for comparable "modest quality" housing units in the area--and the amount of rent paid by the family, which is keyed to their income. The FMR is established in each market area for different housing types and number of bedrooms.

Shifts in Program Emphasis

Legislation in 1981 targeted Section 8 assistance mainly to families with incomes at or below 50 percent of the median of the area in which they live. It also revised the standards for the family contribution toward rent, increasing it from 25 percent to 30 percent of the family's adjusted income. That change and subsequent legislation did not address a continuing problem in the Section 8

[1]Staff calculations from U.S. Department of Housing and Urban Development, Assisted Housing Branch, Housing Information Systems, unpublished data, June 1989.

certificate program--the difficulties of eligible people in securing an acceptable unit at rent. For administrative reasons, certificates are valid for a limited period of time, usually 60 days.

During that time, an eligible family or individual is expected to find a unit that meets HUD standards for livability and offers lease terms that meet HUD requirements. This task can be a formidable one for a low-income family, and one that it often must face with little or no support from the local housing agency. In many cities, eligible large families or those facing discriminatory renting practices cannot find acceptable units during their allotted time and must return the certificate, losing their chance at Section 8 housing assistance--often after waiting years for the opportunity. During the 1970s, nearly half of all households that HUD certified as eligible failed to use their Section 8 certificates.

In 1982, the President's Commission on Housing concluded that the major difficulty for low- and moderate-income persons is their inability to pay for acceptable housing, not its availability.[2] At the same time, Congress reduced or eliminated federal programs that construct new units or substantially rehabilitate dilapidated ones in favor of subsidizing tenants in existing housing (see Table 1). Cost was the chief reason for this change in policy. New construction required nearly twice as much annual contract authority per unit, and cost even more in terms of HUD budget authority. Construction contracts could extend for 30 or 40 years, compared to 15 years of authority needed for most Section 8 rental certificates.

A typical new unit constructed in fiscal 1987 (such as an apartment for elderly occupants) required an annual subsidy of about $6,300, amounting to $189,000 in needed budget authority over a 30-year term. A similar unit in the private housing market for which a landlord had agreed to a 15-year contract for certificate holders required an annual subsidy of about $5,600 in fiscal 1987. The subsidies came to $84,000 in needed budget authority over the term of the agreement--55 percent less than the new construction contract. Section 8 housing vouchers, which carry only a five-year term, require even smaller per-unit authority. That same unit would need less than $25,000 in budget authority--13 percent of that needed for an identical newly built unit with a 30-year commitment. Understandably, Congress has turned to the voucher program since the housing commission's report.

The Section 8 voucher program began as a demonstration program in 1984; Congress made it permanent in 1987. Unlike Section 8 certificates, which generally carry a 15-year funding commitment, vouchers carry a maximum term of five years. Budget authority for a given number of subsidized units thus is only one-third as great at the time of appropriation. The fate of tenants upon expiration of the contract thus surfaces ten years earlier than under the certificate program.

The voucher subsidy is based on the difference between a HUD-established rent-payment standard for each market (similar to the FMR) and a fixed percentage of family income. Tenant contributions are assumed to be 30 percent of their adjusted income. In fact, the voucher program does not limit the amount of rent tenants pay, which is determined by negotiation between the tenant and landlord without regard to the FMR. Voucher recipients pay the difference between their contract rent and the HUD subsidy. They can live in units with rent higher than the payment standard and pay the difference themselves. Many, in fact, are forced into this situation; nationally, more than half of all voucher holders pay over half their income in rent. Tenants who find units with rents lower than the standard can keep the difference. Such situations, in practice, are rare.

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[2]The President's Commission on Housing, *Final Report* (Washington, D.C.: U.S. Government Printing Office, 1982), p. 22.

The Looming Problem of Unit Losses

"The waiting list to apply for Section 8 is closed and will not open again this year." This blunt message greets callers at the office of a major metropolitan housing authority. It underscores the continuing need for housing assistance. In fact, most families in that area will wait as long as three years to get on the Section 8 waiting list, and five years or more for actual help. That area is not alone in facing this dilemma; many housing authorities have waiting lists of eligible families that represent nearly a decade of need. Despite the worsening situation, the White House has requested and Congress has added fewer and fewer subsidized units to the Section 8 inventory, as indicated earlier. More ominous is the potentially draconian cuts in the numbers of subsidized units: more than 782,000 between fiscal 1989 and fiscal 1994, according to recent HUD estimates. If no government action is taken, housing problems for low-income persons could worsen considerably during the next decade.

Two factors could contribute to this drain in the subsidized housing stock:

- contracts guaranteeing that the unit remain available to low-income persons (primarily Section 8 certificates, but also some housing vouchers and FmHA projects) will expire and not be renewed (called opting-out); and

- building owners will prepay low-interest mortgages to eliminate contractual provisions earmarking most or all of the units for low- and moderate-income persons.

Congress enacted a prepayment moratorium as part of the 1987 Housing and Community Development Act; it was intended as an interim measure to forestall such losses. Although originally scheduled to expire in February 1990, Congress recently extended the moratorium through September 30, 1990, the end of the fiscal year. Under terms of the legislation, mortgages can be prepaid only if the owners demonstrate that they have complied with various requirements to notify tenants and their local housing authority and have submitted a detailed "plan of action" addressing tenant needs and the impact of the prepayment on the availability of low-income housing in the area.

The prepayment moratorium is a stopgap measure of dubious constitutionality; legal challenges outlining the diminished rights of owners already have been filed. A preliminary estimate by HUD in November 1989 indicates that owners of 12,500 units in 77 projects currently are eligible to prepay under various financing programs and have filed notices of intent to do so. These programs usually allowed project developers to obtain mortgages with 40-year terms at interest rates of 1 to 3 percent. In most cases, however, they are permitted to leave the program after 20 years by paying off their mortgages in full.

Once mortgages are paid, owners are no longer required to reserve any units for low-income tenants. The number of projects reaching the 20-year threshold for prepayment eligibility will increase considerably during the 1990s, and could exceed 200,000 by the end of the century. For many owners, the economics of prepayment or opting out are clear: units built in the early 1970s for $15,000 to $20,000 each could command $75,000 or more in some markets today once the $8,000 to $10,000 in remaining mortgage debt is paid.

In the case of opt-outs, building owners simply may decide to withdraw from the program when their contracts expire, which often they can do with minimal (30 to 60 days) notice in the case of tenant-based contracts. Termination of project-based subsidy contracts requires one year's notice. If Congress and the Bush Administration fail to continue either Section 8 or a substitute program,

units will lose their subsidies even if the landlords wish to continue participating in the program. In either situation, building owners will be free to charge rents at whatever level the market will bear, convert the properties to condominiums, or remove them from the market altogether.

Most of the contracts for Section 8 certificate units were signed in the late 1970s and will expire in the early 1990s. The Section 8 housing voucher program, which began in earnest in 1986, will face its first wave of expirations in 1991. More than 340,000 of these units are located in the 18 states of the Northeast and Midwest (see Table 3).

Table 3
Section 8 Contract Expirations in the Northeast-Midwest Region:
Fiscal 1989-Fiscal 1994
(potential number of housing units lost)

Fiscal Year	Project Based	Certificates	Vouchers	Total
1989	2,259	4,613	--	6,872
1990	3,859	2,565	7,510	13,934
1991	22,304	35,417	13,554	71,275
1992	16,800	59,908	28,896	105,604
1993	11,044	40,537	21,484	73,065
1994	9,826	48,339	11,937	70,102
Northeast-Midwest Total	**66,092**	**191,379**	**83,381**	**340,852[1]**
U.S. Total	146,122	435,623	200,283	782,028[2]

[1]Represents 34.5 percent of region's Section 8 unit inventory as of 6/89.
[2]Represents 44.3 percent of nation's Section 8 unit inventory as of 6/89.

SOURCE: Staff calculations from the U.S. Department of Housing and Urban Development, Housing Information and Statistics Division, Management Information System, unpublished data on Section 8 contract expirations, July 19, 1989.

New York will be hardest hit; residents of more than 71,000 units could be forced out by the end of fiscal 1994. Four other states in the Northeast and Midwest--Illinois, New Jersey, Ohio, and Pennsylvania--may have to grapple with displaced persons from 25,000 units or more. Connecticut may lose 47.7 percent of its Section 8-subsidized units during this period; 11 other Northeast-Midwest states could lose more than 30 percent of their entire Section 8 inventory. Projected losses in each of the 18 states by year and by specific Section 8 program are included at the end of the discussion.

To keep these units available for low-income residents, Congress will have to find a way to renew the expiring contracts or continue to subsidize rents in other forms. In some cases, Congress may have to encourage the sale of projects to nonprofit organizations to preserve their status as low-income housing. All assisted-housing preservation options will be expensive. Simply renewing expiring Section 8 certificate contracts and vouchers will require large amounts of budget authority. Administration and congressional estimates of just how much are far apart. The Center on Budget and Policy Priorities has analyzed these estimates for five fiscal years from information released by the president's Office of Management and Budget (OMB) and the Congressional Budget Office (CBO) (see Table 4). OMB estimates are considerably lower than CBO estimates because the

administration assumes that all expiring 15-year certificates will be replaced by five-year vouchers. CBO assumes that new 15-year certificates will replace those expiring.[3]

Table 4
Budget Authority Needed to Renew Expiring Section 8 Certificate Contracts
(in millions of dollars)

Fiscal Year	OMB Estimate	CBO Estimate
1990	667	1,092
1991	8,618	23,043
1992	7,535	18,747
1993	6,408	17,745
1994	5,783	12,405
Five-year Total	29,051	72,732

SOURCE: Paul Leonard, Cushing Dolbeare, and Edward Lazere, *A Place to Call Home* (Washington, D.C.: Center on Budget and Policy Priorities, 1989), p. 40.

The peculiarities of defining housing budget authority make these figures appear shocking and beyond reach. In reality, they would only maintain the level of housing subsidies currently provided. Annual outlays for housing would not rise significantly if these levels of replacement Section 8 authority were authorized.

Some Bush Administration officials and members of Congress question the scope of the problem, arguing that such dramatic projections of unit losses are based on worse-case scenarios. Yet even if only one-quarter of these cancellations occurs, the residents of nearly 200,000 units will be displaced nationwide by the end of fiscal 1994. Given the increasing number of eligible Section 8 program participants, the loss of any units will exacerbate a problem of growing seriousness.

Several years ago, a *National Journal* article recalled the day in August 1968 when President Lyndon Johnson spoke from the plaza in front of the HUD building to exhort Congress to pass the 1968 Housing and Urban Development Act to launch public-private housing development partnerships, which culminated several years later in the Section 8 program. Calling on private industry to build and operate 6 million new housing units in the subsequent ten years, Johnson hailed the new law as the "Magna Carta to liberate our cities."[4]

On that heady day, no one considered what would happen 20 years later, when the private sector partners could prepay their mortgages or opt out of their contracts. Today, however, Congress and the administration must deal with that reality.

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[3]Paul Leonard, Cushing Dolbeare, and Edward Lazere, *A Place to Call Home* (Washington, D.C.: Center on Budget and Policy Priorities, 1989), p. 40.

[4]W. John Moore, *National Journal*, "Expiring Subsidies", August 2, 1986, p. 1885.

Section 8 Contract Expirations: Fiscal 1989-Fiscal 1994
(potential number of housing units lost)

Connecticut

Year	Project Based	Certificates	Vouchers	Total
1989	--	81	--	81
1990	--	25	141	166
1991	903	1,209	624	2,736
1992	822	2,244	915	3,981
1993	107	3,131	847	4,085
1994	504	2,523	568	3,595
Total	**2,336**	**9,213**	**3,095**	**14,644**[1]

[1]47.7% of the state's Section 8 units as of 6/89.

Delaware

Year	Project Based	Certificates	Vouchers	Total
1989	--	--	--	0
1990	16	--	130	146
1991	--	50	25	75
1992	198	394	207	799
1993	--	--	65	65
1994	61	529	139	729
Total	**275**	**973**	**566**	**1,814**[1]

[1]27.5% of the state's Section 8 units as of 6/89.

Illinois

Year	Project Based	Certificates	Vouchers	Total
1989	139	101	--	240
1990	357	296	--	653
1991	912	2,729	1,912	5,553
1992	225	7,800	3,233	11,258
1993	624	1,950	1,871	4,445
1994	969	2,307	1,246	4,520
Total	**3,224**	**15,183**	**8,262**	**26,669**[1]

[1]32.5% of the state's Section 8 units as of 6/89.

Section 8 Contract Expirations: Fiscal 1989-Fiscal 1994
(potential number of housing units lost)

Indiana

Year	Project Based	Certificates	Vouchers	Total
1989	--	1,948	--	1,948
1990	208	334	170	712
1991	1,519	783	606	2,908
1992	276	2,728	1,129	4,133
1993	545	2,229	1,569	4,343
1994	330	2,158	419	2,907
Total	**2,878**	**10,180**	**3,893**	**16,951**[1]

[1]34.5% of the state's Section 8 units as of 6/89.

Iowa

Year	Project Based	Certificates	Vouchers	Total
1989	38	--	--	38
1990	93	--	22	115
1991	35	557	260	852
1992	66	1,429	798	2,293
1993	--	1,430	973	2,403
1994	--	706	553	1,259
Total	**232**	**4,122**	**2,606**	**6,960**[1]

[1]26.7% of the state's Section 8 units as of 6/89.

Maine

Year	Project Based	Certificates	Vouchers	Total
1989	--	--	--	0
1990	24	--	36	60
1991	100	993	179	1,272
1992	0	840	316	1,156
1993	30	927	391	1,348
1994	60	676	315	1,051
Total	**214**	**3,436**	**1,237**	**4,887**[1]

[1]31.6% of the state's Section 8 units as of 6/89.

Section 8 Contract Expirations: Fiscal 1989-Fiscal 1994
(potential number of housing units lost)

Maryland

Year	Project Based	Certificates	Vouchers	Total
1989	25	--	--	25
1990	--	--	329	329
1991	3,451	1,817	864	6,132
1992	642	2,164	782	3,588
1993	68	1,166	1,192	2,426
1994	563	2,507	852	3,922
Total	**4,749**	**7,654**	**4,019**	**16,422**[1]

[1]43.0% of the state's Section 8 units as of 6/89.

Massachusetts

Year	Project Based	Certificates	Vouchers	Total
1989	575	--	--	575
1990	750	1,358	257	2,365
1991	839	6,863	829	8,531
1992	804	5,601	1,818	8,223
1993	774	3,866	1,496	6,136
1994	1,438	3,593	1,080	6,111
Total	**5,180**	**21,281**	**5,480**	**31,941**[1]

[1]37.2% of the state's Section 8 units as of 6/89.

Michigan

Year	Project Based	Certificates	Vouchers	Total
1989	544	104	--	648
1990	578	31	185	794
1991	1,179	613	941	2,733
1992	841	3,173	2,122	6,136
1993	2,163	155	1,496	3,814
1994	813	851	1,161	2,825
Total	**6,118**	**4,927**	**5,905**	**16,950**[1]

[1]25.0% of the state's Section 8 units as of 6/89.

Section 8 Contract Expirations: Fiscal 1989-Fiscal 1994
(potential number of housing units lost)

Minnesota

Year	Project Based	Certificates	Vouchers	Total
1989	123	25	--	148
1990	82	120	321	523
1991	2,060	88	371	2,519
1992	29	2,996	1,319	4,344
1993	--	808	810	1,618
1994	296	2,108	546	2,950
Total	**2,590**	**6,145**	**3,367**	**12,102**[1]

[1]26.5% of the state's Section 8 units as of 6/89.

New Hampshire

Year	Project Based	Certificates	Vouchers	Total
1989	120	--	--	120
1990	--	--	--	0
1991	136	866	214	1,216
1992	50	424	284	758
1993	--	396	343	739
1994	--	539	209	748
Total	**306**	**2,225**	**1,050**	**3,581**[1]

[1]34.7% of the state's Section 8 units as of 6/89.

New Jersey

Year	Project Based	Certificates	Vouchers	Total
1989	--	310	--	310
1990	64	46	514	624
1991	874	2,223	1,469	4,566
1992	2,379	4,650	2,692	9,721
1993	938	3,105	2,119	6,162
1994	111	4,230	35	4,376
Total	**4,366**	**14,564**	**6,829**	**25,759**[1]

[1]35.7% of the state's Section 8 units as of 6/89.

Section 8 Contract Expirations: Fiscal 1989-Fiscal 1994
(potential number of housing units lost)

New York

Year	Project Based	Certificates	Vouchers	Total
1989	--	185	--	185
1990	689	--	2,142	2,831
1991	3,870	10,480	2,346	16,696
1992	5,026	9,294	6,359	20,679
1993	1,471	8,088	3,851	13,410
1994	2,248	14,092	948	17,288
Total	**13,304**	**42,139**	**15,646**	**71,089**[1]

[1]36.1% of the state's Section 8 units as of 6/89.

Ohio

Year	Project Based	Certificates	Vouchers	Total
1989	325	459	--	784
1990	451	237	1,376	2,064
1991	3,681	2,439	1,233	7,353
1992	1,314	5,824	2,356	9,494
1993	2,210	5,541	1,327	9,078
1994	1,157	2,670	837	4,664
Total	**9,138**	**17,170**	**7,129**	**33,437**[1]

[1]28.6% of the state's Section 8 units as of 6/89.

Pennsylvania

Year	Project Based	Certificates	Vouchers	Total
1989	370	--	--	370
1990	487	100	1,674	2,261
1991	1,486	2,245	968	4,690
1992	3,520	6,782	2,082	12,384
1993	224	6,281	1,550	8,055
1994	1,130	6,615	1,574	9,319
Total	**7,217**	**22,023**	**7,848**	**37,088**[1]

[1]41.0% of the state's Section 8 units as of 6/89.

Section 8 Contract Expirations: Fiscal 1989-Fiscal 1994
(potential number of housing units lost)

Rhode Island

Year	Project Based	Certificates	Vouchers	Total
1989	--	--	--	0
1990	--	--	129	129
1991	497	899	199	1,595
1992	47	326	302	675
1993	199	419	301	919
1994	6	672	295	973
Total	**749**	**2,316**	**1,226**	**4,291**[1]

[1]22.0% of the state's Section 8 units as of 6/89.

Vermont

Year	Project Based	Certificates	Vouchers	Total
1989	--	--	--	0
1990	--	18	9	27
1991	--	185	186	371
1992	--	279	188	467
1993	64	156	204	424
1994	--	350	144	494
Total	**64**	**988**	**731**	**1,783**[1]

[1]30.0 of the state's Section 8 units as of 6/89.

Wisconsin

Year	Project Based	Certificates	Vouchers	Total
1989	--	1,400	--	1,400
1990	60	--	75	135
1991	762	378	328	1,468
1992	561	2,960	1,994	5,515
1993	1,627	889	1,079	3,595
1994	142	1,213	1,016	2,371
Total	**3,152**	**6,840**	**4,492**	**14,484**[1]

[1]30.6% of the state's Section 8 units as of 6/89.

Section 8 Assisted Housing Occupancy: Fiscal 1989
(total units as of 5/31/89)

	New Construction	Substantial Rehabilitation	Existing	Moderate Rehabilitation	Housing Vouchers	Total
New England						
Connecticut	8,459	4,101	14,584	1,419	2,153	30,717
Maine	4,458	2,421	6,345	1,287	940	15,451
Massachusetts	18,697	11,932	47,545	3,260	4,520	85,954
New Hampshire	3,515	1,209	4,441	353	802	10,320
Rhode Island	8,964	2,438	6,608	342	979	19,331
Vermont	1,945	1,020	2,268	111	609	5,953
Total	46,038	23,121	81,792	6,772	10,003	167,726
Mid-Atlantic						
Delaware	2,843	386	2,871	100	400	6,600
Maryland	11,651	2,112	19,525	1,901	2,729	37,918
New Jersey	21,769	7,747	33,956	2,392	6,393	72,257
New York	44,460	27,730	102,501	9,581	12,679	196,951
Pennsylvania	32,788	4,233	43,958	3,625	5,735	90,339
Total	113,511	42,208	202,811	17,599	27,936	404,065
Midwest						
Illinois	31,842	6,969	32,938	3,859	6,496	82,104
Indiana	17,732	1,646	25,028	1,386	3,305	49,097
Iowa	9,670	319	12,780	933	2,341	26,043
Michigan	33,117	1,922	27,849	194	4,772	67,854
Minnesota	20,247	1,333	16,506	538	2,859	41,483
Ohio	32,902	7,514	63,694	5,555	5,360	115,025
Wisconsin	22,440	1,274	18,282	959	3,742	46,697
Total	167,950	20,977	197,077	13,424	28,875	428,303
South						
Alabama	11,161	1,060	14,453	1,435	2,874	30,983
Arkansas	5,627	396	17,149	120	1,955	25,247
District of Columbia	2,573	2,027	3,132	847	438	9,017
Florida	18,106	1,678	50,335	5,881	6,033	82,033
Georgia	14,999	2,793	28,253	1,127	3,078	50,250
Kentucky	15,190	1,983	18,528	1,267	2,770	39,738
Louisiana	9,790	508	18,510	1,377	2,621	32,806
Mississippi	9,608	885	14,042	984	2,179	27,698
North Carolina	16,150	1,600	30,144	3,565	3,723	55,182
Oklahoma	4,642	476	16,779	1,850	2,255	26,002
South Carolina	10,987	382	13,744	1,529	1,733	28,375
Tennessee	17,036	2,137	22,036	1,613	2,915	45,737
Texas	17,507	724	71,458	4,724	8,415	102,828
Virginia	16,256	2,255	18,542	2,410	2,767	42,230
West Virginia	8,132	307	11,336	728	1,883	22,386
Total	177,764	19,211	348,441	29,457	45,639	620,512

Section 8 Assisted Housing Occupancy: Fiscal 1989 (continued)
(total units as of 5/31/89)

	New Construction	Substantial Rehabilitation	Existing	Moderate Rehabilitation	Housing Vouchers	Total
West						
Alaska	816	0	1,933	0	379	3,128
Arizona	4,303	367	12,856	672	1,680	19,878
California	41,772	4,534	162,728	6,055	22,119	237,208
Colorado	9,383	1,230	14,527	1,963	3,927	31,030
Hawaii	2,182	6	6,777	53	904	9,922
Idaho	3,100	205	3,447	113	350	7,215
Kansas	7,803	123	7,003	284	1,164	16,377
Missouri	15,510	3,132	26,199	2,479	3,277	50,597
Montana	2,386	27	3,520	675	790	7,398
Nebraska	4,302	241	7,068	528	1,984	14,123
Nevada	1,993	333	4,723	593	862	8,504
New Mexico	1,547	0	6,695	477	1,042	9,761
North Dakota	2,639	598	4,445	459	577	8,718
Oregon	5,294	1,131	17,785	1,081	2,620	27,911
South Dakota	3,105	251	4,175	536	686	8,753
Utah	2,596	257	3,910	650	1,181	8,594
Washington	8,334	516	19,634	291	4,105	32,880
Wyoming	1,559	68	1,116	75	390	3,208
Total	118,624	13,019	308,541	16,984	48,037	505,205
Northeast	159,549	65,329	284,603	24,371	37,939	571,791
Midwest	167,950	20,977	197,077	13,424	28,875	428,303
Northeast and Midwest	327,499	86,306	481,680	37,795	66,814	1,000,094
South	177,764	19,211	348,441	29,457	45,639	620,512
West	118,624	13,019	308,541	16,984	48,037	505,205
South and West	296,388	32,230	656,982	46,441	93,676	1,125,717
U.S. Total	623,887	118,536	1,138,662	84,236	160,490	2,125,811

[1]Terminated projects are excluded.

SOURCES: Staff calculations from U.S. Department of Housing and Urban Development, Assisted Housing Branch, Housing Information Systems, unpublished data, June 1989.